

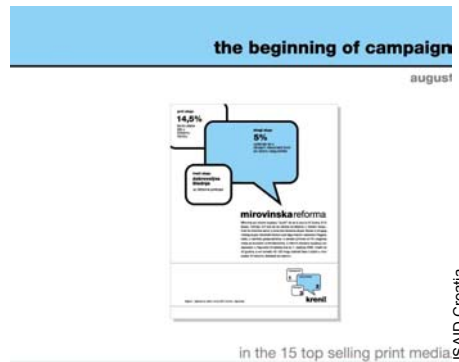


USAID
FROM THE AMERICAN PEOPLE

CROATIA

ACTIVITY OVERVIEW

Pension Reform



USAID funded public education campaign that improved workers' and taxpayers' understanding of pension reform and educated them on future retirement options. The above is a sample that appeared in numerous newspapers, magazines and leaflets delivered to people's homes. The campaign included electronic video clips, virtual radio shows, 45 radio interviews with decision-makers & key staff, 300 billboards, TV & radio spots, 69 TV appearances, 63 newspaper interviews, 1.7 million brochures delivered to homes.

Implementer: Carana Corporation

Partners: Ministry of Economy, Labor and Entrepreneurship; Pension Funds Supervising Agency (HAGENA), Registry of Affiliates (REGOS)

U.S. Agency for International Development
www.usaid.gov

Project completed February 2004

Facing a fiscally unsustainable pay-as-you-go pension system and very unfavorable demographic trends, Croatia needed to reform its pension system. In 2000, the Government passed legislation to bring the pension system in line with European countries by establishing individual accounts and offering private investment options for a portion of the funds. This required the Government to create financial tracking systems, a regulatory framework for private pension funds, and an extensive public education campaign.

In conjunction with Croatian pension reform institutions, USAID developed a public education campaign to inform the general public about all aspects of the new pension system that would significantly affect their retirements. This campaign had dramatic effects.

Results USAID's public education campaign with full support of the Government of Croatia resulted in the increase of public awareness and approval of the reform from 20% to 80% over the 8-month period for the second pillar of the new pension system. Over 900,000 people enrolled in the first months of operation. Significantly, this campaign broke new ground and became the model for government outreach efforts in privatization, European integration, and anti-trafficking in persons.

In 2002, USAID helped increase public confidence in the integrity of the new system by providing training and technical assistance to registry and regulatory bodies, and started assistance in pillar III (voluntary contributions). The successful public education campaign for pillar II became the model for similar government outreach efforts in privatization and other critical reforms.

A manual for on-site supervision was developed. A Network Security Study was produced and key areas for improvement were identified.

Over 40 journalists attended pension reform seminars, resulting in more accurate and transparent media coverage. Study tours were organized for journalists, HAGENA and REGOS officials.

Extensive data base of key stake holders was constructed and on-the-job training for Ministry of Labor and Social Welfare was conducted.